



**SCHOOL AID  
H.B. 4359**

02/27/2007

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FULL-TIME EQUATED (FTE) POSITIONS/ FUNDING SOURCE	FY 2006-07 YEAR-TO-DATE	FY 2007-08 GOV'S REC.	CHANGES FROM FY 2006-07 YEAR-TO-DATE	
			GOVERNOR AMOUNT	PERCENT
FTE Positions.....	N/A	N/A	N/A	N/A
<b>GROSS.....</b>	<b>13,093,745,100</b>	<b>13,431,028,400</b>	<b>337,283,300</b>	<b>2.6</b>
Less:				
Interdepartmental Grants Received.....	0	0	0	0.0
<b>ADJUSTED GROSS.....</b>	<b>13,093,745,100</b>	<b>13,431,028,400</b>	<b>337,283,300</b>	<b>2.6</b>
Less:				
Federal Funds.....	1,411,236,900	1,410,111,700	(1,125,200)	(0.1)
Local and Private.....	0	0	0	0.0
<b>TOTAL STATE SPENDING.....</b>	<b>11,682,508,200</b>	<b>12,020,916,700</b>	<b>338,408,500</b>	<b>2.9</b>
Less:				
Other State Restricted Funds.....	11,647,508,200	11,985,916,700	338,408,500	2.9
<b>GENERAL FUND/GENERAL PURPOSE.....</b>	<b>35,000,000</b>	<b>35,000,000</b>	<b>0</b>	<b>0.0</b>
<b>PAYMENTS TO LOCALS.....</b>	<b>11,536,597,200</b>	<b>11,861,170,300</b>	<b>324,573,100</b>	<b>2.8</b>



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**SCHOOL AID/K-12**  
**SECTION-BY-SECTION HIGHLIGHTS**  
**Comparison of Enacted Year-to-Date FY 2006-07 (in PA 342 of 2006)**  
**to**  
**Governor's Initial Recommendations for FY 2007-08**

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE PASSED	SENATE PASSED	CONFERENCE
Sec. 3 Definitions					
(1) Average Daily Attendance	Defines "Average Daily Attendance" as being 92% of the membership as defined in Section (6)(4). Excludes pupils described in Sec. 6(4)(bb).	Changes the definition to mean 92% of the pupils counted in membership on the pupil membership count day defined in section 6(7).			
(5) Department	Department means Department of Education except in section 107.	Adds section 61a where "Department" does not mean Dept of Education.			
(6) District	District means a local school district or charter school, except in sections 6(4), 6(6), 13, 20, 22a, 23, 31a, 105, and 105c.	Adds sections 22e and 29 to the list where district does not include a charter school.			
Sec. 6(4)(bb) Pupils Enrolled in Benjamin Carson	Provides a calculation for memberships at Benjamin Carson Academy (BCA).	Since BCA closed, this section is removed.			
Sec. 6(6) Definition of Pupil	Provides that "pupil" means a person in membership in a public school, and requires a district to have the approval of the pupil's district of residence to count the pupil in membership, except in certain situations.	Adds a situation where the approval of the district of residence is not necessary, namely where an expelled pupil who has been denied reinstatement by the expelling district is reinstated by another school board under Section 1311 or 1311a of the Revised School Code.			
Sec. 6(7) Pupil Membership Count Day	Provides a definition for pupil membership count day to mean the fourth Wednesday after Labor Day, or if school is not in	Clarifies that if a school is not in session on the fourth Wednesday after Labor Day, the closure must be due to conditions not			

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	session that day, the immediately following day, for schools not in session the entire year.	within control of school authorities in order for the school to use the following day as pupil count day.			
Sec. 8b District Codes for Public School Academies	Provides the guidelines for assigning district codes to new public school academies.	Proposes to allow the third digit of a PSA's code to be "8" when the number of public school academies in a county exceeds one hundred (current law mandates the third digit to be a "9").			
Sec. 11 Total Appropriations	<p><b>School Aid Fund (SAF)</b> FY 2006-07 SAF appropriation of \$11,647,508,200.</p> <p><b>General Fund (GF/GP)</b> FY 2006-07 appropriation of \$35,000,000</p>	<p><b>School Aid Fund (SAF)</b> Revised FY 2007-08 SAF appropriation of \$11,985,916,700.</p> <p><b>General Fund (GF/GP)</b> FY 2007-08 appropriation remains at \$35,000,000.</p>			
Sec. 11a School Aid Stabilization Fund	Provides for the creation of the SASF which receives unexpended SAF revenue and money statutorily dedicated. For FY 2006-07, the SASF transferred the amount necessary to fully fund the allocations in the Act to the SAF.	Updates the year to FY 2007-08 and changes the word "transferred" to "appropriated".			
Sec. 11f Durant Cash Payment	Appropriates \$32,000,000 for FY 2006-07.	Continues the appropriation of \$32,000,000 into FY 2007-08, the final year of payments. Also removes the early intervening program as an allowable use of these funds.			
Sec. 11g Durant Bonding Payment	Appropriates \$34,961,000 in FY 2006-07 to districts to make debt service payments on "Durant" bonds.	Continues the appropriation of \$34,961,000 into FY 2007-08.			

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Sec. 11j School Bond Loan Fund	FY 2006-07 appropriation of \$48,000,000 to pay for the State's debt service from the school bond loan program.	Increases the FY 2007-08 allocation to \$51,800,000.			
Sec. 11k School Loan Revolving Fund	Appropriates for FY 2006-07 from the General Fund to the SLRF an amount equal to the amount of school bond loans assigned to the Michigan Municipal Bond Authority.	Updates the year to FY 2007-08.			
Sec. 11m Cash-Flow Borrowing	Appropriates \$22,800,000 for FY 2006-07 to pay for costs associated with cash-flow borrowing related to the School Aid Fund. These costs were formerly paid for with General Fund dollars.	Continues the \$22,800,000 allocation into FY 2007-08.			
Sec. 15 Adjustments to Apportionments	Provides for adjustments in apportionments to be made in the next monthly payment. Also appropriates in FY 2006-07 an amount equal to the collection of overpayments to cover obligations in excess of appropriations. In other words, "payables" and "receivables".	Updates the calendar year appropriation for payables and receivables to FY 2007-08, and also allows an adjustment to a district's payment to occur when an adjustment is finalized, as opposed to current law's time frame within the next fiscal year.			
Sec. 18 Expenditures Guidelines and Financial Audits	Provides that not more than 20% of foundation allowance funding may be used for capital projects or debt service. Also requires financial audits and special education cost reports, and submission of those items to CEPI, as well as internet posting of districts' budgets.	Allows the Department to immediately withhold district or ISD funding if a violation of expenditures occurs. (Current law sets a time frame for withholding funds of the fiscal year following the discovery by the Department of a violation of expenditure rules.) Also changes the due date for a report to the Legislature on districts and ISDs that			

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		have not filed an annual financial audit and pupil accounting procedures report from December 1 to December 31 of each year.			
Sec. 19 Compliance with PA 25 of 1990 and Submission of Progress Reports	Requires districts to comply with sections 1204a, 1277, 1278, and 1280 of the Revised School Code. Also requires various educational reports submitted to CEPI.	Strikes a subsection requiring submission of information necessary for the development of an annual progress report on the required implementation of Sections 1204a, 1277, 1278, and 1280 of the Revised School Code (PA 25 of 1990). Also adds a requirement that ISDs verify that information submitted by constituent districts and necessary for the preparation of the district and high school graduation report be reasonably accurate.			
Sec. 20 Subsection (1) Foundation Allowance Calculation	The basic foundation allowance is \$7,085 in FY 2006-07.	The basic foundation allowance increases to \$7,286 (which provides a permanent \$23 increase for those districts that received equity payments in FY 2006-07 plus a \$178 increase for all districts).			
Subsection (9) Small District/Hold Harmless Millage Exception	Provides for State funding in place of local hold harmless mills if a district has fewer than 350 pupils and elects not to levy school operating taxes on homes.	Adds a double-dipping provision to ensure that districts receiving funding under this subsection do not also receive guaranteed funding levels under Section 22d.			
Subsection 13(c) Foundation Index	Provides the formula for calculating the foundation allowance index, except that	Extends the year to FY 2007-08 for which the foundation allowance			

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Subsection (14) Foundation Increasing by Index	for FY 2006-07, the index shall be 1.00.  Provides that if a consensus is reached on a foundation allowance index, then the basic foundation allowance shall increase at least by that amount.	index will be 1.00.  Eliminates this subsection.			
Subsection (15) Legislative Intent: Increase GF if Pupils Increase	States legislative intent that if pupil membership grows by more than 1%, then the GF appropriation shall increase sufficiently to support the pupil growth.	Eliminates this subsection.			
Subsection (20) Use of Foundation Allowance Funding for Early Intervening Program	Allows for districts that received foundation allowance adjustments when small class size funding was rolled in to their base funding to use those funds for early intervening programs.	Eliminates this subsection.			
Sec. 20j Additional Calculations for "Hold-Harmless" Districts	Provides funding calculations for districts above the hold-harmless cap reflecting the difference between inflationary increases (where such districts are capped) and actual dollar increases given in the basic foundation allowance. (Payments are made in Section 22b, totaling about \$52.8 million.)	Date change is recommended to continue funding in FY 2007-08.			
Sec. 22a Proposal A Obligation Payment  (The Constitutionally required portion of	FY 2006-07 appropriation of \$6,207,000,000.  This section makes payments to districts equal to each district's FY 1994-	Appropriates \$6,016,000,000 in FY 2007-08.			

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the foundation allowance.)	95 foundation allowance multiplied by the district's entire pupil membership, net of local operating millage revenue. Public school academies receive the FY 1994-95 foundation allowance of the district in which they are located.				
Sec. 22b Discretionary Payment  (The discretionary portion of the foundation allowance.)	FY 2006-07 appropriation of \$3,584,950,000.  This section makes payments to districts and public school academies equal to the sum of calculations under sections 20, 20j, 51a(2), 51a(3), and 51a(12) net of what is paid under sections 22a and 51c.	Appropriates \$3,880,000,000 in FY 2007-08 to pay for the \$178 increase in the basic foundation allowance.			
Sec. 22d Supplemental Funding to Small, Isolated Districts	Appropriates up to \$750,000 out of Sec. 22b for FY 2006-07 to certain small, geographically isolated districts.	Updates the year to FY 2007-08.			
Sec. 22E - <b>NEW</b> Cost-Sharing Agreements Incentives	N/A	Appropriates \$9,800,000 for the purpose of rewarding constituent districts that establish cost-sharing agreements with their intermediate districts that must include all of the cost-sharing services offered by that ISD, except for those services that are duplicative with services contained in another cost-sharing agreement between the district and another ISD. The award to each district is calculated by dividing the \$9.8 million by the total statewide number of pupils within eligible districts by the number of pupils in that			

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		district. Also appropriates \$200,000 to the Department of Education for the purposes of implementing the section.			
Sec. 24 Court-Placed Pupils	FY 2006-07 appropriation of \$8,000,000.  This section reimburses districts for the extra costs above foundation allowance funding for providing an on-grounds educational program to pupils under court jurisdiction placed in or assigned to attend a juvenile detention facility or child caring institution.	FY 2007-08 appropriation is maintained at \$8,000,000. Outdated FY 2006-07 language is removed.			
Sec. 24a Educating Pupils in Juvenile Justice Service Facilities	Appropriates \$3,000,000 in FY 2006-07 for payments to ISDs for pupils who are placed in juvenile justice service facilities operated by the Department of Human Service. Each ISD receives an amount equal to the State share of the costs clearly and directly attributable to the educational programs for pupils placed in these facilities located within the ISD's boundaries. The ISDs receiving payments cooperate with the DHS to ensure that the funding received is utilized by the DHS for such educational programs for these pupils.	Increases the appropriation by \$103,400 to provide economics to those State employees in the DHS facilities providing these educational services. Total appropriation in FY 2007-08 is \$3,103,400.			
Sec. 24c Youth Challenge Program	Appropriates \$1,253,100 for FY 2006-07 for the Youth Challenge Program, formerly funded in the Department of Military and Veterans Affairs budget. The payment goes to Battle	Increases the appropriation by \$30,800 to provide economics to those State employees in the DMVA that provide these educational services. Total			



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	Creek Public Schools, which contracts with the DMVA to ensure that all funding received is utilized by the DMVA for the Youth Challenge Program.	appropriation in FY 2007-08 is \$1,283,900.			
Sec. 26a Renaissance Zone Reimbursement	FY 2006-07 School Aid Fund appropriation of \$37,650,000 and General Fund appropriation of \$12,550,000 to reimburse districts, ISDs, and the School Aid Fund pursuant to the Michigan Renaissance Zone Act.	Increases the FY 2007-08 appropriation to \$39,700,000 from the School Aid Fund and to \$13,500,000 from the General Fund to pay for increasing Renaissance Zone costs (a total increase of \$3.0 million).			
Sec. 26b PILT Reimbursement	FY 2006-07 General Fund appropriation of \$2,400,000 to reimburse districts, ISDs, and community colleges for payment in lieu of taxes (PILT) obligations per PA 513 of 2004.	Increases the FY 2007-08 appropriation to \$3,400,000 to provide full reimbursement, and removes the General Fund as the funding source.			
Sec. 29 Declining Enrollment Grants	Appropriates \$20,000,000 in FY 2006-07 for declining enrollment grants to local districts (not charter schools) whose FY 2006-07 pupil membership is less than the 2005-06 membership, and the 2005-06 membership is less than the 2004-05 membership. If the district receives funding under Sections 6(4)(y) or 22d, then it is not eligible for a grant under this section. The payment is equal to the district's foundation allowance multiplied by the difference between the district's 3-year average pupil membership and the actual pupil membership. The allocation is prorated since the appropriation is insufficient for full funding.	Increases the appropriation to \$36,000,000 for FY 2007-08.			

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Sec. 31a At-Risk Funding  Child and Adolescent Health Centers  Vision and Hearing Screenings  Mercy Education Project	<p>(1) FY 2006-07 total appropriation of \$319,450,000. This means that after pulling out the earmarked funding below, there remains \$310,457,000 for the standard At-Risk program. This program, when fully funded, provides 11.5% of each eligible district's foundation allowance multiplied by the district's pupils eligible for free breakfast, lunch, or milk to support at-risk programs.</p> <p>(6) Child and Adolescent Health centers are funded at \$3,743,000 out of the \$319.5 million.</p> <p>(7) Hearing and Vision screenings are funded at \$5,150,000 out of the \$319.5 million.</p> <p>(8) Mercy Education Project is funded at \$100,000 out of the \$319.5 million.</p> <p>(14) Allows at-risk funding to be used for implementing an early intervening program.</p>	<p>Decreases the FY 2007-08 appropriation by \$100,000 due to the proposed elimination of funding for the Mercy Education Project in (8). Total appropriation for FY 2007-08 is \$319,350,000.</p> <p>(6) Continues the funding.</p> <p>(7) Continues the funding.</p> <p>(8) Eliminates the subsection.</p> <p>(14) Eliminates the subsection.</p>			
Sec. 31d School Lunch Program	<p>Appropriates \$22,495,100 in State funds for FY 2006-07 to fully fund the State share of the school lunch programs as required by the <i>Durant</i> settlement.</p> <p>Also appropriates \$322,506,000 in Federal funds for FY 2006-07.</p>	Continues the FY 2006-07 State appropriation of \$22,495,100 into FY 2007-08 and maintains Federal funding at \$322,506,000.			
Sec. 31f School Breakfast	Appropriates \$9,625,000 for FY 2006-07 to reimburse	Continues the appropriation of			

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	districts for the cost of providing breakfast.	\$9,625,000 into FY 2007-08.			
Sec. 32b Great Start Communities Grants	Appropriates \$1,000,000 in FY 2006-07 for competitive grants to ISDs for the creation of great start communities or other community purposes identified by the Early Childhood Investment Corporation. The ECIC must identify matching dollars before expending these funds. Grants are awarded to eligible ISDs in amounts determined by the ECIC. To be eligible, the ISD must agree to convene local great start collaboratives to address the availability of physical health, social-emotional health, family supports, basic needs, economic stability and safety, parenting education and early education, and care to ensure all kids are ready for kindergarten.	Continues the \$1,000,000 into FY 2007-08, and strikes out a current law condition requiring the ECIC's bylaws to be amended to increase the Executive committee to 19 members. Also changes the due date for a report from the Department of Education (changed from ECIC) to December 1, 2008 (from December 1, 2007) detailing grants awarded, recipients, and success in addressing the development of a comprehensive system of early childhood services and supports.			
Sec. 32c Early Childhood Grants	Appropriates \$1,750,000 from the General Fund for interagency early childhood grants for FY 2006-07. These grants are designed to promote marriage and foster positive parenting skills; improve parent/child interaction, especially for children ages 0-3; promote access to needed community services; increase local capacity to serve families at risk; improve school readiness; and support healthy family environments.	Continues the \$1,750,000 General Fund appropriation into FY 2007-08, and changes "promote marriage" to "promote families".			

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Sec. 32d School Readiness Allocations	<p>Allocates \$78,600,000 for FY 2006-07 from the SAF to operate the Michigan School Readiness Program (MSRP) and \$200,000 from the General Fund to continue a longitudinal study of the MSRP.</p> <p>1(b) Allows funds to be used for preschool and parenting programs under former section 32b (PIE program).</p> <p>The MSRP is (primarily) a half-day educational program for educationally at-risk four year olds, designed to improve school readiness.</p>	<p>Increases the FY 2007-08 appropriation by \$4,600,000 to pay for a per-child funding increase from \$3,300 to \$3,500, which would still fund 23,771 half-day slots for at-risk four-year-olds. Continues the study.</p> <p>1(b) Strikes this subsection.</p> <p>(2) Adds clarification that a program funded under this section shall (instead of may) include an "age-appropriate educational curriculum", and that the program must be free.</p>			
Sec. 32E – <b>NEW</b> Full-Day Preschool for Eligible Students	N/A	<p>Appropriates \$194,600,000 in FY 2007-08 for foundation allowance payments for eligible preschool students enrolled in full-day Great Start comprehensive compensatory programs designed to improve the readiness and subsequent achievement of educationally disadvantaged children.</p>			
Sec. 32j ISD Parent Involvement Grants	<p>Appropriates \$5,000,000 in FY 2006-07 in State funds to intermediate districts for competitive grants to provide programs to parents of children age 5 or younger to encourage early literacy, improve school readiness, reduce the need for special education services, and foster stable families.</p>	<p>Continues the \$5,000,000 appropriation into FY 2007-08.</p> <p>Changes the provision that a program must "promote marriage" to receive funding to promoting "families".</p> <p>Clarifies that a grant</p>			

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	<p>To qualify for funding the program must provide the following services; provide parents with information on child development, provide methods to enhance parent-child interaction, provide parents with examples of learning opportunities, promote access to community services, and promote marriage.</p> <p>Current language requires grantees to demonstrate a collaboration of local entities involved in the programs.</p>	recipient has one fiscal year following the fiscal year in which a grant was awarded to expend the grant funds, or return the unexpended funds.			
Sec. 32/ School Readiness Competitive Grant	FY 2006-07 appropriation is \$12,250,000 GF/GP for competitive school readiness program grants to entities other than local school districts.	The FY 2007-08 appropriation is increased to \$13,050,000 GF/GP to pay for the proposed per-pupil increase to \$3,500 from \$3,300.			
Sec. 37 School Readiness Program Eligibility Guidelines	Establishes the guidelines for eligibility of districts to operate School Readiness Programs funded under Section 32d.	Clarifies that a community collaboration plan must include (although not be limited to) the Michigan School Readiness and Head Start providers.			
Sec. 38 School Readiness Formulas and Per- Pupil Allocations	Provides the formulas for determining districts' children eligible for the Michigan School Readiness Program, how districts are ranked for funding priority, and the \$3,300 per pupil funding amounts.	Proposes to increase the per-pupil grant from \$3,300 to \$3,500. Also removes the option for districts to operate a full-day program under Section 32d (since 32e provides for full-day).			
Sec. 39a Federal Funds	(1) FY 2006-07 appropriation of \$636,978,000 in Federal funds from the "No Child Left Behind" funds.	(1) FY 2007-08 revised appropriations of \$638,210,100 in Federal "No Child Left Behind" funds. The increase comes solely from moving Section 41a funds (Federal dollars supporting bilingual			

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	(2) And \$4,646,400 in other Federal funds for education.	education) into Sec. 39a.  (2) And \$4,646,400 in other Federal funds for education.			
Sec. 41 & 41a Bilingual Education	FY 2006-07 appropriations of \$2,800,000 in State funds for districts to provide bilingual education programs. Appropriates \$1,232,100 in Federal Language Acquisition grants for the instruction of pupils with limited English speaking ability.	No recommended changes to State appropriations in FY 2007-08. As mentioned above, proposes to eliminate Section 41a and move those funds into Section 39a.			
Sec. 51a Total Special Education Funding	For FY 2006-07, allocates \$991,983,000 from State sources and \$350,700,000 in Federal funding for special education programs.  (7)(c) and (d) Allows unspent Sec. 51a funds at bookclosing to be allocated as additional reimbursements in certain situations for FY 2004-05 and FY 2005-06.	Increases the State appropriation for FY 2007-08 to \$1,023,183,000, and maintains Federal funding at \$350,700,000.  Eliminates these outdated subsections.			
Sec. 51c Special Education Durant Payment	FY 2006-07 appropriation of \$708,200,000 to provide funding for costs associated with Durant settlement that guarantees districts 28.6138% of total approved costs of special education services and 70.4164% of total approved costs of special education transportation.	Increases the appropriation to \$726,200,000 for FY 2007-08.			
Sec. 51d Federal Special Education Funds	Appropriates \$74,000,000 in Federal special education grants for FY 2006-07.	Continues the \$74,000,000 appropriation in Federal special education grants for FY 2007-08.			
Sec. 53a Special Education	Appropriates \$12,800,000 in FY 2006-07 for special	Updates the fiscal year to 2007-08.			

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Funding for Certain Pupils	education programs for court-placed pupils or pupils associated with DCH.				
Sec. 54 Michigan Schools for the Deaf and Blind (MSDB)	Appropriates \$1,688,000 in FY 2006-07 to ISDs for per-pupil funding of students at the MSDB.	Updates the fiscal year to 2007-08.			
Sec. 54a Lending Library	Appropriates \$250,000 for FY 2006-07 to maintain a lending library at Central Michigan University to provide special needs assessment tools to districts and ISDs.	Continues the \$250,000 appropriation in FY 2007-08, but establishes a sunset such that funding received in FY 2007-08 would be the last.			
Sec. 56 Special Education Millage Equalization	Provides funding to ISDs to guarantee a minimal amount per Special Ed mill levied, on a per-pupil basis.  FY 2006-07 appropriation of \$36,881,100 for millage equalization.  FY 2006-07 per pupil equalization dollar amount at \$151,300.	Continues the \$36,881,100 for FY 2007-08.     FY 2007-08 per pupil equalization dollar amount of \$161,200.			
Sec. 57 Advanced and Accelerated Programs	Appropriates \$285,000 in FY 2006-07 for competitive grants to ISDs for middle school summer institutes and comprehensive programs for advanced and accelerated students. Each ISD can receive up to \$5,000, or can form consortia.	Updates the fiscal year to FY 2007-08.			
Sec. 61a Vocational Education	Appropriates \$30,000,000 for FY 2006-07 to support vocational education programs. Reimbursement of up to 75% of added costs for secondary level vocational-technical education is provided, with reimbursement dependent on the type of program	Continues the \$30,000,000 in FY 2007-08.			

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	offered, the number of pupils enrolled, and length of the program.				
Sec. 62 Vocational Education Millage Equalization	Provides funding to ISDs that levy Vocational Education mills to guarantee a minimal amount received per mill levied, on a per-pupil basis.  FY 2006-07 appropriation is \$9,000,000.  FY 2006-07 per-pupil equalization amount is \$160,500.	Continues the \$9,000,000 into FY 2007-08.  FY 2007-08 per-pupil equalization amount is \$171,200.			
Sec. 64 Health/Science Middle College Program	Appropriates \$2,000,000 in FY 2006-07 for grants to ISDs or Detroit Public Schools that are in consortium with a community college or State public university and a hospital to create and implement a middle college focused on health sciences. The middle college must provide outreach programs with information to middle and high school students about health field careers, individual education plans for each pupil enrolled in the program, curriculum that includes entry-level college courses and clinical rotations that provide opportunities to observe careers in health sciences. A "middle college" is defined as a series of courses and other requirements that allow a pupil to graduate with a high school diploma and a certificate or associate	Increases the appropriation in FY 2007-08 to \$4,000,000.  Also adds language stating that each grant recipient would be awarded funds for four years, but that those funds would be phased out with the recipient receiving 100% of the grant for the first two years, then 75% in the third year, and 50% in the fourth year.			



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	degree from a community college.				
Sec. 65 Precollege Engineering and Science Grants	Appropriates \$780,100 for FY 2006-07 for grants to districts or ISDs for the two existing eligible precollege programs in engineering and the sciences (Grand Rapids and Detroit areas), plus one grant for the Kalamazoo area.	Appropriates \$680,100 for FY 2007-08 to fund only those two precollege engineering programs previously funded in the DLEG budget at the same amount. The DLEG shall give preference in awarding the grants to eligible existing programs that received funds in the 2005-06 DLEG budget. The two areas that received this grant at that time were Grand Rapids and Detroit.			
Sec. 74 Bus Driver Safety	FY 2006-07 appropriation of \$2,965,000 where \$1,340,000 is earmarked for reimbursement to districts and ISDs for costs associated with the inspection of school buses by the MSP. The Department of State Police prepares a statement of costs attributable to each district and submits to the DOE and to the district, and the DOE pays funds to the district for costs incurred, and the districts make payment to the MSP within 45 days of the reimbursement. The remaining \$1,625,000 is for payments to State colleges or universities and ISDs for providing school bus driver safety instruction or driver skills.	Provides economic increases of \$60,800 for MSP State employees conducting bus safety inspections. This brings the total FY 2007-08 appropriation to \$3,025,800.			
Sec. 81 ISD General Operations Funding	FY 2006-07 appropriation is \$80,110,900 for basic operational funding of ISDs.	FY 2007-08 appropriation is increased \$2,003,100 to \$82,114,000 to provide the			

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	Legislative intent language states that ISDs shall collaborate with the DOE to develop expanded professional development opportunities for teachers to update and expand their knowledge and skills needed to support the Michigan Merit curriculum.	<p>same percentage increase to ISDs as is proposed for the basic foundation allowance paid to districts, being 2.5%.</p> <p>Removes clause stating "it is the intent of the Legislature", meaning that ISDs shall collaborate, rather than being intended to collaborate.</p> <p>Also proposes four new requirements for ISDs to be eligible to receive funding: 1) demonstration that the ISD employs at least one person trained in rules, regulations, and reporting procedures for the student data that serves as the basis for calculating high school and district graduation and dropout rates; 2) compliance with sections 1278a and 1278b of the Revised School Code; 3) provision of data and other information as required by State and Federal law; and 4) compliance with section 1230g of the Revised School Code.</p>			
Sec. 94a Center for Educational Performance and Information (CEPI)	<p>Appropriates General Funds of \$2,350,000 in FY 2006-07 to support the operations of the CEPI.</p> <p>Appropriates \$3,543,200 in FY 2006-07 from Federal funds for Federal reporting requirements. Lists grants separately.</p>	Provides economic increases of \$85,400 to State employees of CEPI, bringing the total State GF/GP appropriation in FY 2007-08 to \$2,435,400. Federal funds are maintained at prior-year levels.			

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Sec. 98 Michigan Virtual University (MVU)	<p>Appropriates \$500,000 from the SAF, \$2,250,000 from the GF, and \$3,250,000 from Federal funds for operation of the MVHS, to provide professional development opportunities for educators, and other purposes. The MVHS itself is charged with the task of providing online test preparation resources for pupils, using up to \$500,000 of the GF funding. The online resources are web-based tools for the ACT and the revised MEAP exam, and include practice tests, test-taking strategies, diagnostic tools, self-paced online instructional tutorials, and electronic feedback reports for students and schools. Of the Federal funds, \$2,250,000 is specifically allocated for professional development purposes, and the MVHS shall offer at least 200 hours of online PD for classroom teachers beginning in 2006-07 without cost to the teachers, districts, or ISDs. The remaining \$1,000,000 in Federal funds remains earmarked for support of e-learning and virtual school initiatives. The \$500,000 SAF is awarded as one grant to an ISD working with MVHS for a statewide license for My Dream Explorer, a career exploration and planning tool to be made available for all students at no cost.</p>	<p>Continues the prior-year appropriations of \$500,000 from the SAF, \$2,250,000 from the GF, and \$3,250,000 from Federal funds into FY 2007-08.</p> <p>Strikes a subsection in current law that states that all activities funded under this section relating to science shall include the use of the scientific method to critically evaluate scientific theories and the use of relevant scientific data to assess the validity of those theories.</p>			

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Sec. 99 Math and Science Centers	FY 2006-07 State appropriation of \$3,500,000 and \$4,456,000 in Federal funds for the funding of 33 math and science centers throughout the state.	Maintains the prior-year funding levels of \$3,500,000 in State funds and \$4,456,000 in Federal funds for FY 2007-08.  Strikes a subsection in current law that states that all activities funded under this section relating to science shall include the use of the scientific method to critically evaluate scientific theories and the use of relevant scientific data to assess the validity of those theories.			
Sec. 99e Financial Emergency District Funding	FY 2006-07 appropriation of \$125,000 to the Inkster School District, which meets the following criteria:  a) pupil membership has grown by at least 20% between 2004-05 and 2005-06; b) at least 60% of the pupils are eligible for free or reduced lunch; c) the district levies at least 10 debt mills; and d) the district had an emergency financial manager in place during 2004-2005.  The funding is to supplement the district's operational funding as compensation for having received a reduced foundation allowance due to proration while having had an emergency financial manager in place.	Continues the \$125,000 appropriation into FY 2007-08, and adds a sunset for funding to end after FY 2008-09.			
Sec. 99h FIRST Robotics	Appropriates \$150,000 in FY 2006-07 for competitive	Continues the \$150,000 appropriation into FY			

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	grants to districts that provide high school pupils with expanded opportunities to improve math, science, and technology skills by participating in the FIRST Robotics competition. Applicants must have established a partnership with at least one sponsor, business entity, higher education institution, or technical school, and provide at least a 50% match from other private or local funds.	2007-08, and adds a sunset for funding to end after FY 2008-09.			
Sec. 104 Assessment Funding	For FY 2006-07, appropriates \$19,500,000 from the SAF for reimbursement of costs associated with complying with Sections 104a and 104b of the Act, and sections 1279 and 1280b of the Revised School Code. Also appropriates \$8,425,164 in Federal assessment funding for the purposes of complying with Federal NCLB Act. Requires that test results include item analyses that list all items counted for student scores and the percentage of students choosing each possible response.	Increases State funding by \$10,300,000 in FY 2007-08, bringing State appropriations for this section to \$29,800,000. Federal funds increase slightly to \$8,800,000.			
Sec. 107 Adult Education Appropriation	Appropriates \$24,000,000 for Adult Education programs for FY 2006-07.  Of the total, \$22,500,000 is awarded to districts or consortia that received funding in FY 2005-06, and \$1,300,000 is allocated for	FY 2007-08 appropriation remains at \$24,000,000.  Programs funded in FY 2006-07 could receive in FY 2007-08 up to 104.3% of what they received in the prior year. No new			

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	<p>new programs. The remaining \$200,000 is for a grant to expand an existing innovative community college program that focuses on educating adults.</p> <p>Payment is based 90% on enrollment and 10% on completion of the program.</p>	<p>programs are funded, but the innovative community college program funding remains.</p> <p>Payment would be based 75% on enrollment and 25% on completion of the program.</p> <p>Adds a new subsection requiring a district receiving Adult Education funding to furnish all information needed for the Department of Labor and Economic Growth to administer the program, to allow the Department to review all records, and to reimburse the State for all disallowances.</p>			
Sec. 147 Public School Employees' Retirement Rate	FY 2006-07 rate is estimated at 17.74%.	Estimates the FY 2007-08 rate to be 16.72% if legislation is enacted that reassigns the assets held by the retirement system to their fair market value as of September 30, 2006. If such legislation is not enacted, the rate is estimated to be 18.56%			
Enacting Section 1 State Spending and Payments to Locals	N/A	Total State spending for FY 2007-08 is estimated at \$12,020,916,700 and payments to locals are \$11,861,170,300.			
Enacting Section 2 Repeals Sections Effective <b>October 1, 2006</b>	N/A	<p><b>Sec. 31c</b> – Children of Incarcerated Parents program: \$1.875 million</p> <p><b>Sec. 32m</b> – Book a Month program - \$500,000</p>			

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		<p><b>Sec. 34</b> – Early Intervening - \$400,000</p> <p><b>Sec. 57a</b> – International Baccalaureate - \$250,000</p> <p><b>Sec. 98c</b> – Web-based Testing - \$1.0 million</p> <p><b>Sec. 99d</b> – AEDs - \$100,000</p> <p><b>Sec. 99f</b> – School Security Mapping - \$350,000</p> <p><b>Sec. 99g</b> – School-based Crisis Intervention Project - \$300,000</p>			
Enacting Section 3 Repeals Sections Effective <b>October 1, 2007</b>	N/A	<p><b>Sec. 8a</b> -District report by Dec. 1 of average pupils per class in grades K-3;</p> <p><b>Sec. 22c</b> - Equity payment - \$20.0 million</p> <p><b>Sec. 41a</b> – Federal bilingual funds \$1,232,100</p> <p><b>Sec. 54b</b> – Conductive Learning Center Study</p> <p><b>Sec. 98b</b> – Freedom to Learn - \$1.5 m Federal</p> <p><b>Sec. 99c</b> – Middle School Math - \$20.0 million</p> <p><b>Sec. 166</b> - Penalizes a district 5% of its total State aid if family planning drugs or devices are distributed or prescribed, or referrals for abortions are made.</p>			